

Testimony of

Robert Nichols

To the Committee on Small Business of the United States House of Representatives  
In a hearing entitled:

*“The Impact of the 2006-2007 Drought on Georgia’s Economy”*

March 25, 2008

Thank you for the opportunity to speak to you today on behalf of the marina business and for all the small business owners in the West Georgia, East Alabama area. Marinas are not the only business affected by lake levels in West Point Lake; motels, gas stations, convenience stores, fishing guides, bait and tackle shops, restaurants, and boat dealers all cater to and rely on tourist traffic generated by West Point Lake.

West Point Lake consists of 26,000 acres of water, 525 miles of shoreline, and offers 4 county parks, 25 Corp operated parks, 7 campgrounds, 2 commercial marinas, as well as 40,000 acres of wildlife management areas. Several of the purposes authorized by Congress are sport fishing, wildlife development, and public recreation. In my opinion, none of these purposes have been fulfilled.

The water levels must be maintained in the lake so the public can use it safely. Let's not forget that Corp funding is based upon, to some degree, traffic count and visitation. I would like to thank those of you in Congress who have supported HR4304, which allows our Corp of Engineers to retain revenues generated by our public parks and campgrounds. Particularly, I would like to thank Congressman Lynn Westmoreland who is a co-sponsor of this bill. However, no amount of public facilities can truly be justified when water levels have reached unsafe conditions for the boating public.

Boat dealers that I have spoken with have reported decreased sales of 40-85% from previous years. However, in our area alone, income from repairing boats is actually up 30-40%, all of which can be attributed to damages occurring while boating on West Point Lake. Bait and tackle stores located convenient to the lake, but not necessarily in high traffic areas, have seen sales decrease by 50% or more in the past six months.

From my own experience at the marina, 2007 started as a break through year, with January through July revenues 20-25% ahead of the previous year. Despite fluctuating lake levels, we were still above normal winter pool, but the concern about water levels we had been expressing for the past year had become a reality and fueled somewhat by media coverage. Revenues for August were slightly lower, but I don't think anyone quite anticipated that Labor Day would be the end of our season. September through December of 2007 store sales were 50% off, lodging revenues were off 35%, boat rentals were down 60%, and damages to our boats due to low water exceeded 5,000 dollars. The odd thing is that our wet slip revenues were down only 3%. However, I had a dozen boats stuck in the mud, and many others that would have left if not for inaccessible ramps. The boat ramps at Southern Harbor were unusable beginning October, despite two attempts to remove sediment caused by erosion of exposed shorelines. Our last two fishing tournaments of the year had to launch at Rocky Point Park, one of the few remaining assessable boat ramps at the time; even then, navigation to the main channel was hazardous. As the water level decreased, the marina spent over 80,000 dollars in dock extensions, electrical connections, and additions to our sewer pump-out facilities. Constant repairs and adjustments have had to be made as dock floatation settled into the mud. These were out of pocket expenses. Lending institutions no longer make decisions on profit and loss statements or track record. Marinas are classified as high risk because of unpredictable water levels.

Another impact felt this fall was the cancellation of several large fishing tournaments. A typical 200 boat tournament made up of 400 fisherman, and 100+ family, guest, and staff has a visitor impact of 160,000-170,000 dollars in two days. When

applied with a 2.5 turn over rate the total economic impact exceeds 400,000 dollars. The Georgia State Championship, a tournament held every year in the fall, consistently draws 300+ boats. This year, it drew only a few over 200 participants. Couple this with another major tournament consisting of over 300 boats that eliminated West Point Lake from any consideration this past fall and the negative economic impact to our community is well over one-million dollars.

With regard to tourism, the governor of Georgia has announced a new “Go Fish Georgia” program bringing excitement to a lot of us. The program is intended to promote fishing and tourism and to bring people in from all over the Southeast. The problem with “Go Fish Georgia” is that we realize it may just be a card game that we’re playing. The deck is stacked against us by out dated operating plans and lake levels we can’t depend on. Fishermen aren’t going to come here and risk damage to 50,000 dollar bass boats.

You have asked me to speak on my perspective and those of my business associates as to the economic impact of the drought. I’m here to say it is my opinion and of those I have talked with that the drought is being used as an excuse for an ineffective and out dated water control plan. We understand we have been experiencing a drought, we have had to deal with droughts over the last 35 years. West Point Lake has been the work horse for the Chattahoochee River basin during all of our so called minor droughts. The West Point Lake Advisory Committee has been addressing the economic impact of lake fluctuations in West Point Lake, including the predicted drought conditions we are now experiencing. This information was conveyed to state and federal agencies over a year ago. It wasn’t until Atlanta was threatened with the possibility of running out of drinking water did our concerns become front page news.

The governor has mandated a 10% reduction on all water use across the state. For those of us who live outside the doughnut, so to speak, we don't have a problem with reducing water usage and trying to conserve more, but what we don't hear about are restrictions in development and growth in the Atlanta market. So, in simple man's math, it appears that our 10% reduction is just allowing the growth in Atlanta to continue and not necessarily doing a whole lot to put water back in our lakes. Unlike Atlanta, all we have asked for is a shared sacrifice during times of drought.

As for growth, the state of Georgia has invested 500 million dollars to bring an automobile plant to West Georgia. This is much needed in an area that has been historically dependant on the textile industry. Besides financial incentive, companies today value the quality of life offered to its employees. West Point Lake is a major factor in their decisions. In fact, one Kia executive, new to our area ask me, "Is your lake broke?" and the only response I could come up with was, "No sir, our lake is not broke, but the system that manages it is."

As for the system I refer to, I'm not sure who's in charge. The Corp of Engineers points the finger at the Fish and Wild Life Agency and vice-versa, both referring to various laws and regulations such as the Endangered Species Act, flood control legislation, and so called rule curves. It appears to me that what we have done is pass so many laws and create so many bureaucracies that common sense has become extinct. The system needs to be simplified, agencies need to work together so that there is accountability within the decision making process. There needs to be flexibility to adapt to the ever changing conditions.

In closing, I don't mind competition. We compete with the Wal Marts, Bass Pro Shops and others who by their sheer size can sell for less than a small business can buy most goods for. The one advantage we have is that you can't get there by boat. Please don't take this advantage away.